

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION III
1650 Arch Street
Philadelphia, Pennsylvania 19103-2029

SUBJECT: Issuance of Underground Injection Control Permit

FROM: Kevin Rowsey
Source Water & UIC Section (3WD22)

TO: Cathy Libertz, Director
Water Division (3WD00)

Your concurrence is requested on the attached draft permit.

On December 8, 2020, Catalyst Energy, Inc. ("Catalyst") submitted a UIC permit application for the conversion of one (1) active production well to one (1) operating class II-D commercial disposal injection well located near Cyclone in Keating Township, McKean County, PA. The draft permit will allow Catalyst to dispose of fluids produced in association with oil and gas operations into the Middle Devonian Onondaga formation at a depth of approximately 5,169 feet. Because it is a commercial injection well, the facility *will not be* limited to accepting produced fluid from Catalyst operations. If the final permit is issued to Catalyst, it will remain in effect for ten (10) years. A permit is required to meet the provisions of the EPA-administered UIC Program in Pennsylvania.

The draft permit will be public noticed for 30 days with opportunity to request a hearing. The public notice has been reviewed by LaRonda Koffi and Terri White. In lieu of providing a local library the administrative record during the Covid-19 pandemic, EPA will be posting all application materials, the draft permit, and the statement of basis on EPA's website. A virtual public hearing will be held if sufficient interest in the draft permit is evidenced. EPA will also be conducting a consultation with the Seneca Nation in New York regarding this permitting action because the site of the wells is located within the Allegheny River watershed. EPA expects this permitting action to be somewhat controversial given it's a commercial disposal well in a small community and there's a small public water system (Pithole Water Assoc.) within half-a-mile from the wellbore. The source water for Pithole Water Assoc. is groundwater from one (1) well. The well is drilled to a total depth of 265 feet. EPA can ensure the protection of the public water system in that the injection well is drilled to a depth of 5,169 feet, constituting 4,904 feet of separation. Between the source water aquifer for Pithole Water Assoc. and the injection zone are multiple layers of confining rock (shale) that act as a barrier to prevent contamination to underground sources of drinking water (USDWs). The permit also requires the Permittee to maintain mechanical integrity of the injection well to prevent contamination into USDWs. Catalyst is also using a production well within the Area of Review as a monitoring well to monitor the fluid level in the injection zone. In addition, there's a well (Lot 581-ON-1) within the Area of Review that does not have documentation from PADEP that it was properly plugged. In the conditions of the

permit, EPA is requiring Catalyst to address this well before authorization to inject will be given.

PLEASE DO NOT SIGN OR DATE THE PERMIT. This is just the draft of the permit to be public noticed.

PERMIT:

CATALYST ENERGY, INC.
1112 S. BRADDOCK AVE, SUITE 201
PITTSBURGH, PA 15218

PAS2D015BMCK